A Guide to

Voluntary Municipal Restructuring

Saskatchewan
Government
Relations and
Aboriginal Affairs

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The Partners

This Guide is the culmination of the partnership and cooperation between New North, SARM, SUMA, RMAA, UMAAS and GRAA to help meet the changing needs of Saskatchewan municipalities. It is our goal that this Guide will assist municipal leaders to draw on their resourcefulness and experience to address the new opportunities and challenges within our province. We trust that the information will be beneficial to the communities we serve.

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Saskatchewan Association of Rural Municipalities (SARM)

Saskatchewan Urban Municipalities Association (SUMA)

Rural Municipal Administrators Association of Saskatchewan (RMAA)

Urban Municipal Administrators Association of Saskatchewan (UMAAS)

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A Guide to Stronger Communities

Elected officials and residents throughout Saskatchewan have indicated that they need up-to-date information to assist them in determining if voluntary restructuring can help them meet their municipalities' needs. In response, the partners created this resource material entitled ***A Guide to Voluntary Municipal Restructuring***. The purpose of the Guide is to meet public demands for information by providing a step-by-step, start-to-finish overview of the process of voluntary municipal restructuring.

Who May Use this Guide?

This Guide is intended to be a reference for rural and urban municipal councils considering voluntary municipal restructuring as an option for their communities. However, anyone interested in voluntary municipal restructuring and other community matters is encouraged to read and use these materials. Some of the people who may find the Guide helpful are:

- council members;
- administrators, clerks and treasurers;
- residents, community groups and volunteer associations; and
- business leaders.

How is the Guide Organized?

This resource is divided into two main parts. Part 1 sets the context of the Guide. It provides information on Saskatchewan's municipalities and managing change through planning. It then identifies several examples of voluntary municipal restructuring in Saskatchewan. Part 1 concludes by providing answers to frequently asked questions about voluntary restructuring.

Part 2 provides a step-by-step process that councils may want to follow if they decide that voluntary municipal restructuring is in the best interest of their communities. This section divides the process of voluntary restructuring into seven steps and provides suggested issues and tasks a council may want to consider in each step. The seven steps are:

Step 1: Understanding Your Community Today

Step 2: Identifying Partners

Step 3: Starting the Process

Step 4: Collecting and Analyzing Community Data

Step 5: Developing a Restructuring Agreement

Step 6: Making the Official Request to Government

Step 7: Implementing the Agreement

Introduction

The Guide also includes three appendices that provide additional information and assistance.

- Appendix A provides information on increasing public participation in all aspects of community decision-making, including voluntary municipal restructuring. It covers the "how" and "why" of public consultation.

- Appendix B provides a financial worksheet that municipalities may find helpful when evaluating restructuring scenarios.

- Appendix C outlines the process of village dissolution. The process of village dissolution does not require a restructuring agreement and is therefore different from other forms of voluntary municipal restructuring. The councils of some villages may find this reference a useful complement to the Guide when considering options for their communities.

Building Strong Local Communities

The people of Saskatchewan desire vibrant communities. We want our economies to grow. We want to live in safe places that offer high quality and affordable services for everyone.

Saskatchewan's municipalities have a vital role in building strong communities. Local councils are responsible for community planning, development issues and municipal services. To manage these interests, they have authority to establish direction for essentially every community issue. For example, among their many powers, municipal councils are authorized to prepare assessment rolls, collect property and school taxes, construct and maintain roads, prepare annual budgets, require development permits and provide fire and police services.

A variety of factors challenge the vitality of Saskatchewan municipalities. Changing population demographics is a major issue that affects many communities. Other issues include rail line abandonment, shifts to fewer and bigger farms, expanded oil and gas resource activities as well as increased service expectations and budget pressures.

Many communities find it difficult to adjust to these complex issues. Some municipalities are experiencing difficulty in filling council positions and maintaining administrative offices. Other municipalities are challenged to meet higher public expectations regarding service provision. Many also find it difficult to mediate controversial proposals such as intensive livestock operations.

People look to municipal councils for leadership. Although some problems may seem overwhelming, councils can manage change through specific actions. Councils have the authority and ability to make decisions for positive change. The challenge is to decide what actions to support.

Quick Facts

- At the end of 2003, Saskatchewan had 813 urban, rural and northern municipalities. The 491 urban municipalities include 13 cities, 145 towns, 293 villages and 43 resort villages.
- According to *The Urban Municipality Act, 1984*, resort villages must have a minimum of 100 electors, a village must have a minimum of 100 residents, a town must have a minimum of 500 residents and a city must have a minimum of 5000 residents.
- According to *The Rural Municipality Act, 1989*, an organized hamlet may be established after the submission of a petition signed by 30 voters, representing at least two-thirds of the voters of the hamlet.

Managing Change through Planning

The process of community planning may assist councils in deciding on which path to take to build stronger municipalities. Planning is about defining goals and identifying action plans for the betterment of the community. It is about learning from the past and bringing people together. Most importantly, it is about finding innovative solutions to problems.

To help municipalities manage current issues, provincial legislation provides councils with the opportunity to establish both formal and informal planning committees. A council may decide to work within its boundaries and/or cooperate with its neighbours to address common issues.

Councils may find that undertaking planning efforts with neighbouring municipalities is the best way to tackle current problems and meet expectations for strong communities. By working together, councils can pool human and financial resources to solve common issues. As a result, councils may find it cost effective to share infrastructure, administration and other services.

By taking measures to minimize the costs of providing effective services, municipalities may find that they have money to fund other community interests. Once basic needs are satisfied, council may decide to focus on other community priorities such as economic development and social, cultural and recreational activities.

When considering options to manage change, a council may identify that two or more municipalities could benefit from alternative service delivery models or voluntary municipal restructuring. Voluntary municipal restructuring can take several forms. The options available include a variety of status and boundary adjustments. The most common types of municipal restructuring are:

- the realignment of boundaries between two municipalities;
- the dissolution of a rural municipality (RM) into its adjacent municipalities;
- the dissolution of a number of municipalities (rural or/and urban) and the incorporation of a new RM, urban municipality or municipal district;
- the dissolution of a number of urban municipalities into one new urban municipality; and
- the dissolution of an urban municipality into the surrounding RM.

An appropriate new arrangement, if any, will depend on the circumstances of the municipalities working together. Not all forms of voluntary municipal restructuring will be appropriate to or benefit all municipalities in all cases. It is important to consider as many options and as many factors as possible when exploring the potential of improving municipal operations through voluntary restructuring.

Saskatchewan Examples

Several Saskatchewan communities have captured the benefits of working together. By forming new partnerships and alliances between municipalities, they have enhanced the delivery of community services. Below are five examples of voluntary municipal restructuring in our province.

The Dissolution of the RM of Prairie No. 408

The RM of Prairie No. 408 dissolved on January 1, 1999 and its area was annexed to the RM of Battle River No. 438 and the RM of Buffalo No. 409.

Many challenges led to the RM of Prairie's decision to dissolve into neighbouring municipalities. Important considerations were that the RM faced the loss of its municipal administrator and recognized the costs of administering a municipality were increasing.

To manage these changes, the council of the RM of Prairie No. 408 first approached the RM of Battle River No. 438 to discuss joint administration. The council of the RM of Battle River No. 438 decided it would rather annex a portion of the RM of Prairie No. 408 than pursue joint administration. Exploring this option, the council of the RM of Prairie No. 408 approached the RM of Buffalo No. 409 about annexing the remainder of the RM of Prairie No. 408. The RM of Buffalo No. 409 was receptive to this proposal as the municipalities shared a local trading area.

While examining proposed budgets, the councils discovered that a budget surplus could result from voluntary municipal restructuring. However, due to a disparity in the municipal assets and liabilities, it was identified that upon restructuring there would be a minor short-term tax differential applied to each portion of the RM of Prairie No. 408 to bring it in line with the RMs of Buffalo and Battle River. The councils decided that restructuring was desirable and took steps to consult the public.

A public meeting was held to discuss the proposal with the ratepayers of all three RMs. A vote of the ratepayers of the three RMs showed overwhelming support in all three municipalities. Having the support of their residents, the councils applied to the Government of Saskatchewan.

The Government of Saskatchewan issued an order supporting the wishes of the municipal councils and their residents.

The Incorporation of the New RM of Mount Hope No. 279

The RM of Kutawa No. 278 and the RM of Mount Hope No. 279 entered into a restructuring agreement that dissolved both RMs and incorporated the new RM of Mount Hope No. 279.

The RM of Kutawa No. 278 pursued restructuring because of its shrinking assessment and declining population. An analysis of the combined RM budgets revealed potential savings from the elimination of duplicated services. The councils decided that restructuring was desirable and took steps to consult the public.

Public meetings and ratepayer votes showed that the majority of ratepayers were in favour of restructuring. The councils then took steps to develop a restructuring agreement. Having the support of their ratepayers and a restructuring agreement, the councils applied to the Government of Saskatchewan.

Supporting the wishes of the municipal councils and their ratepayers, the Government of Saskatchewan issued an order establishing the new RM of Mount Hope No. 279. The restructuring took effect on January 1, 2004.

The Dissolution of the Village of Benson

In August 2003, the Village of Benson dissolved into the RM of Benson No. 35.

The council and residents of the Village of Benson pursued restructuring because they felt that the Village could no longer effectively meet their local needs. Having a good working relationship with the RM, they approached the RM's council to discuss restructuring. The RM already provided the Village with municipal administration, gravelling and street maintenance.

The Village held a public meeting to inform its residents of the proposed dissolution. The Reeve and Councillor for the division attended the meeting to answer questions. The Village council promoted the dissolution. Following the meeting, the Village received a petition from Village residents in support of dissolution. The RM set up a committee to discuss issues of importance with respect to the Village's dissolution. Having the support of their residents, the Village applied to the Government of Saskatchewan.

Supporting the wishes of the municipal councils and their residents, the Government of Saskatchewan issued an order dissolving Village of Benson into the RM of Benson No. 35.

The Dissolution of the Village of Wishart

On January 1, 2002, the Village of Wishart dissolved into the RM of Emerald No. 277.

The Village of Wishart encountered a budgetary crisis. To address this challenge, the Village council considered reducing services to the Village's residents. However, the council decided that it would be in the community's best interest to undergo voluntary municipal restructuring to dissolve the Village into an organized hamlet within the RM of Emerald No. 277.

The RM of Emerald No. 277 and the newly established Organized Hamlet of Wishart now share services and administration. This arrangement has benefited the community. Most notably, taxes and administrative costs have decreased and there have been improvements to the provision of municipal services. Describing these benefits, the Village's former mayor has called the dissolution "the best thing we ever could have done."

The Incorporation of the District of Katepwa

The Resort Village of Katepwa Beach, the Resort Village of Katepwa South and the Resort Village of Sandy Beach have negotiated a restructuring agreement that has incorporated the District of Katepwa.

The individual Resort Villages are all located along the shores of Katepwa Lake. They had shared office administration for many years prior to the negotiation of the restructuring agreement. Through restructuring, the individual Resort Villages have formalized many years of positive working relationships into the effective and efficient administration of the District of Katepwa.

These municipalities have also taken advantage of recent changes to *The Urban Municipality Act, 1984* that allow districts to adopt a ward system for electing representatives to council.

Answering Your Questions

People have many questions about voluntary municipal restructuring. Understanding the facts will assist a council in deciding if restructuring is right for its municipality. Facts may reduce some of the uncertainties and anxieties about changing a community. The following are some of the frequently asked questions about voluntary municipal restructuring:

What form of voluntary municipal restructuring, if any, will benefit my community the most?

Each community is unique. Therefore, the most appropriate form of voluntary municipal restructuring for a group of communities will vary greatly by circumstance. It is important for all affected councils to cooperatively and carefully consider all options and as much information as possible when evaluating restructuring scenarios. It may be determined that municipal restructuring would not result in overall benefit for a municipality, though other opportunities to improve municipal operations may be identified during the evaluation process.

Will voluntary municipal restructuring cause my taxes to go up?

The effects of voluntary municipal restructuring on tax rates may be estimated before any changes are made to a community. The new municipal tax will depend on the mill rate and tax tools used by the new municipality.

Are property titles affected by voluntary municipal restructuring?

GRAA's Community Planning Branch will inform Information Services Corporation (ISC) of the restructuring. Shortly after restructuring, the newly formed municipality/municipal district must submit a name change request form to ISC to ensure that the correct municipality/municipal district name appears on the affected titles. The municipality's client list as well as a copy of the Minister's Order must accompany this request. There is no cost for this service.

How will voluntary municipal restructuring affect the identity and uniqueness of my community?

Voluntary municipal restructuring often reflects the sharing and cooperation that already exists among communities. Community spirit and uniqueness can thrive in a regional setting with new governance structures.

Will my community's highway sign be removed?

No. Your community will continue to be identified by a sign.

Part 1: Setting the Context

What will happen to a community's assets and liabilities when municipalities restructure?

Councils will discuss matters related to assets and liabilities before restructuring occurs. To avoid conflict after restructuring, these issues will be very important in the process of developing a restructuring agreement. The councils will decide how to merge liabilities and assets in a way that is fair and efficient.

What will happen to each municipality's minutes, tax and assessment rolls and other historical documents after restructuring?

The newly formed municipality will preserve all documents. Public records will be available upon request.

What will happen to the bylaws of each municipality?

All bylaws and resolutions that are in force in an area affected by restructuring remain in force in that area. They will remain in force until they are either repealed or other bylaws are made in their place.

Will our school close?

Matters related to schools are not affected by voluntary municipal restructuring. Local school boards make decisions regarding school closures.

What happens to the council when a municipality restructures?

The Minister's Order incorporating the new municipality sets out election provisions to ensure that a new council is elected and ready to take office on the day the new municipality is incorporated.

Will restructured municipalities provide high quality services for all people?

The new municipality will continue to provide services to the community. It is up to the new municipal council to develop policies to ensure that the new municipality meets the needs of its residents.

What will happen to staff (clerk, foreman, etc.) when the municipalities restructure?

Except in the case of village dissolution, legislation states that all employees of the former municipalities continue to be employed by the new municipality/municipal district with the same rights and duties. It will be up to the new council to adopt any terms and conditions associated with staffing. When a village dissolves, all employees of the former urban municipality cease to have any further authority. Before dissolution, the village and RM may wish to discuss ways that village staff can continue to serve the community.

Population decline has significantly affected staffing issues in some municipalities. In this context, some municipalities have found it difficult to attract and retain professionally accredited staff. By reorganizing the employees of the previous municipalities, the restructured municipality may be better able to cover essential responsibilities.

Step 1: Understanding Your Community Today

The focus of Step 1* is to determine if a new approach makes sense for your municipality. This section provides a series of questions that may help a council initiate discussions around voluntary municipal restructuring. These questions are intended to promote dialogue and self analysis to help you gauge your municipality's strengths and understand its challenges. The questions are organized according to five main indicators:

- Indicator 1: Population Stability
- Indicator 2: Tax Base Stability
- Indicator 3: Financial Stability
- Indicator 4: Opportunities to Work with Other Communities
- Indicator 5: Local Interest and Support in the Community

Indicator 1: Population Stability

Population changes affect a community's economy, financial strength and ability to deliver services at a reasonable cost. A continual increase in population, over several years, usually indicates a strong local economy and likely a growing assessment base. A continual decrease in population, along with an aging population, may raise concerns about long-term sustainability.

The following are some of the questions a council may want to discuss. Exploring these questions may provide you with an understanding of population trends in your municipality and a snapshot of changes in the age structure of your municipality. *Statistics Canada*'s website provides community profiles that may help you to answer these questions. Their web address is: http://www12.statcan.ca/english/profil01/PlaceSearchForm1.cfm

What has been the overall population change in the last 5 years?

- Increase by 10% or more
- Increase by less than 10%
- Stay the same
- Decrease by less than 10%
- Decrease by 10% or more

* This step has been adapted from a publication prepared and administered by Municipal Services of Manitoba Intergovernmental Affairs and the Association of Manitoba Municipalities.

What has been the change in the number of children and youth under 19 in the last 5 years?

- More than 10% increase
- Increase between 1% and 10%
- Less than 1% increase
- No change or decline by less than 5%
- Decline by 5% or more

What has been the change in the percentage of residents over 65 in the last 5 years?

- No change
- Decline
- Less than 5% increase
- 5% increase or more
- More than 10% increase

How many households have been added to your municipality over the last five years?

- More than 4
- 2 to 4
- 1
- None

Indicator 2: Tax Base Stability

Trends in total portioned municipal assessment affect the revenue raising potential of your municipality. A stable tax base generates the revenue needed to deliver services on an ongoing basis at a cost that residents can afford. A diverse tax base indicates how your municipality may cope with trends in specific sectors – a tax base that is dependent on a single, potentially unstable tax revenue source may not be sustainable in the long-term. Growth in commercial assessment is another indicator of community vitality because it shows that your municipality may be attracting new business and likely new residents.

The following are some of the questions a council may want to discuss. Exploring these questions may provide you with an understanding of the trends in your assessment base and the diversity of your tax base. Municipal assessment rolls and tax rolls are two sources of information on your tax base that may help you to answer these questions.

What has been the change in total portioned municipal assessment since the last assessment?

- Increase by 10% or more
- Increase by less than 10%
- Stayed the same
- Decrease by less than 10%
- Decrease by 10% or more

What has been the change in portioned commercial assessment since the last assessment?

- Increase by 10% or more
- Increase by less than 10%
- Stayed the same
- Decrease by less than 10%
- Decrease by 10% or more

Has commercial assessment grown as a percentage of total assessment in the last 5 years?

- Yes
- No

Does the largest single ratepayer (tax or grant-in-lieu of tax) account for more than 20% of total municipal revenues?

- No
- Yes

If yes to the previous question, how stable is this source of revenue?

- Very secure
- Potential to downsize/leave community in 10 years
- Downsizing occurred/could leave community in 5 years
- Could leave community at any time

How has the average general municipal property tax per residential dwelling changed in the last 5 years?

- Decrease or increase by less than 10%
- Increase 10% to 20%
- Increase by more than 20%

Indicator 3: Financial Stability

A strong financial position enables your municipality to provide services that residents demand at a price they are willing to pay. Municipalities in a strong financial position are able to maintain competitive tax rates and have the flexibility to take advantage of opportunities for growth. Also, municipalities that maintain financial reserves can more easily adapt to change and still preserve opportunities for future growth.

The following are some of the questions a council may want to discuss. Exploring these questions may provide you with an understanding of how efficiently your municipality is being governed. It may also provide insight into whether your municipality has the financial strength required to meet local priorities. Audited municipal financial statements are sources of financial information that may help you to answer these questions.

What percentage of annual expenditures (excluding education) are spent on general government?

- Less than 15%
- 15% to 20%
- More than 20%

What percentage of annual expenditures are spent on servicing municipal debt (principal and interest)?

- Less than 2%
- 2% to 4%
- More than 4%

How much borrowing capacity does your municipality have available?

- More than 50% of municipal debt limit available
- Less than 50% of municipal debt limit available
- Debt limit reached/exceeded

The full value of general funded reserves represents what percentage of annual expenditures?

- More than 10%
- 5% to 10%
- Less than 5%

Indicator 4: Opportunities to Work with Other Communities

Thinking on an inter-municipal basis is becoming essential for municipalities to adapt to changing conditions. Recognizing that your municipality needs its neighbours and being able to capitalize on opportunities to collaborate may be critical to maintaining a strong municipality.

The following are some of the questions a council may want to discuss. Exploring these questions may provide you with a gauge of whether your municipality is fully accessing opportunities to take advantage of connections with other municipalities. It may also provide insight into whether your municipality is aware of its connections to other municipalities and prepared to take advantage of the opportunities associated with these inter-relationships.

Does your municipality participate in formal or informal discussions/partnerships with other municipalities? For example, do you participate in a Conservation District, a Planning District, a Regional Economic Development Association (REDA), a Regional Landfill and/or a Regional Water Utility Board?

- Yes
- No

Is your municipality involved in service sharing arrangements with other municipalities? For example, do you share fire protection services, recreation facilities, building inspection duties, waste disposal, snow clearing/road maintenance, utility infrastructure, economic development and/or administrative staff?

- More than 4 of the above
- 2 to 4 of the above
- 1 of the above
- 1 of the above that has not been reviewed in 5 or more years
- None of the above

How would the establishment of a major industry or growth in the economy of a neighbouring municipality affect your municipality?

- Increase in municipal tax revenue (due to tax sharing agreement) AND significant local job creation/economic spin-offs
- Significant local job creation/significant economic spin-offs (no tax sharing)
- Few local jobs created, minor economic spin-offs
- Limited local economic impact
- No impact

Indicator 5: Local Interest and Support in Your Community

Interest by citizens in the affairs of your municipality, strong administrative support now and into the future and an active volunteer/non-profit sector make your community a sustainable place to live. Sustainable communities need leadership, interest and support from residents. Municipalities need reliable administration to deliver quality services and resident involvement provides support for local projects and events.

The following are some of the questions a council may want to discuss. Exploring these questions may provide you with insight into the willingness of residents to serve on council and an idea of your municipality's ability to provide reliable administration. It may also provide a gauge of the opportunities for residents to participate in their community. Municipal general election records are sources of information that may help you to answer these questions.

Are people in your community willing to run for municipal council?

- Yes
- No

What is the long-term stability of your municipality's professionally accredited staff? For example, is your administrator likely to retire in the next 3 years?

- If/when the administrator retires there is a succession plan in place
- Position is vacant

Are there opportunities for residents to support your community? Do you have citizens serving on council committees and organizations such as a chamber of commerce, service clubs, church groups and cultural/recreational associations?

- 4 or 5 of the above
- 2 or 3 of the above
- Fewer than 2 of the above

The Next Steps

Discussions could indicate that your municipality may benefit from an alternative arrangement. If so, you may want to explore ways to solve problems through voluntary municipal restructuring and proceed onto the next steps. If discussions show that needs are currently being met, you may still want to proceed to Step 2 to explore options to enhance your community's opportunities. Councils may also consider undertaking more in-depth analysis of their community's needs before proceeding onto the next steps.

Step 2: Identifying Partners

Voluntary municipal restructuring requires councils to think on an inter-municipal basis. With an inter-municipal perspective, a council's first task is to identify potential restructuring partners both within and around its municipality. It may be helpful to start the process of identifying partners by thinking about the question: Who are the neighbouring communities who may also be interested in partnering to enhance public services?

By working with neighbouring rural and/or urban municipalities, it is possible to build stronger communities. Cooperation often enables municipalities to pool human and financial resources to solve common issues. As such, questions a council may want to think about when identifying potential partners are:

- What other nearby municipalities are experiencing similar challenges?
- Does our council share a common vision with other municipal councils on how to respond to challenges facing our communities?
- Do we already work with other communities?

The goal of voluntary restructuring is to enhance your municipality's ability to meet the needs of its residents. Therefore, when considering restructuring partners it is important to consider the strengths and challenges of potential partners. The purpose is to identify a partnership that maximizes strengths of various municipalities to create a vibrant community that meets the needs of all residents. The following questions may also help a council identify partners:

- Do facilities, programs and services offered in nearby rural and/or urban municipalities duplicate those offered in our own municipality?
- Could joint delivery reduce duplication and enhance the range of services available?
- Could restructuring help our municipality save costs, reduce taxes, maintain or increase services, or attract new development or facilities?

Once possible partners are identified, leaders from these communities should be invited to discuss the potential for restructuring. Having completed *Step 1* you will have a better understanding of what your municipality has to offer. The purpose of the meeting will be for your council to promote a partnership that may improve the range of service and program options for your collective communities.

Step 3: Starting the Process

It is recommended that the municipalities involved in restructuring identify a *restructuring committee*. It is up to the involved municipal councils to determine the members of this committee.

At their first meeting, the committee should establish goals, objectives, guiding principles and timeframes. They should also identify roles and responsibilities and stakeholders. Completing these tasks will define expectations and help to direct the restructuring process. The committee may consider hiring a professional facilitator to help guide the restructuring process.

Establish Goals and Objectives

Goals are general statements of a committee's ambitions.

- Goals are stable over time.
- Goals are general outcomes that the committee ultimately wants to achieve.
- Goals provide a clear direction.
- Goals describe the qualities of the end result.
- Goals should be written in an easily readable format.

Each goal will have a series of objectives. Objectives are measurable, time-defined conditions for achieving goals.

- Objectives are more specific than goals and may change over time.
- Objectives provide explanation for achieving the end results.
- Objectives guide the development of actions that lead to success.
- Objectives, like goals, should also be written in an easily readable format.

Set Guiding Principles

Guiding principles are beliefs and values that should reflect the committee's attitudes towards strengthening communities. Guiding principles are important because they establish how the committee will conduct itself during the restructuring process. In particular, they will help to guide the decisions made by the committee. The committee may establish any number of guiding principles. Typically, committees set 5 – 10 principles.

Examples of Guiding Principles:

Participation: Council members, administrators and residents all have important roles in planning a community's future. All opinions are valuable in efforts to change a community's status or boundaries.

Long-term planning: Long-term planning may create liveable and sustainable communities. It may ensure a community makes the best use of land and resources. It may also help communities manage and balance growth to create better climates for business opportunities.

Good services: Effective and efficient infrastructure is a priority in all communities. Services and public facilities should meet a community's present needs. It is also important to plan for the community's future.

Identify Roles and Responsibilities

The restructuring committee may benefit from discussing the roles and responsibilities of each committee member. This undertaking is useful because it will identify the specific things that need to be done during the restructuring process and identify the individuals responsible for these tasks.

Establish Timeframes

Timeframes should be developed to ensure that all tasks in the process of restructuring will be completed on schedule. Be aware that timeframes may need to be adjusted throughout the process. However, tasks should not drag on so that the momentum of the overall process is lost.

Identify Stakeholders

Individuals and groups within each municipality may want to be involved in the restructuring process. An important task of the restructuring committee is to identify these stakeholders. The types of stakeholders will be unique to your municipality. However, stakeholders commonly include business leaders, community groups, volunteer associations and First Nations.

An important element of identifying stakeholders is determining the level of public participation in the restructuring process. The residents of the involved municipalities will have many questions and concerns about changes to their communities. It is important to keep the public informed throughout the process. *Appendix A. Considerations for Public Participation* provides general guidance to increase public participation in restructuring initiatives.

Step 4: Collecting and Analyzing Community Data

A key step in the process of voluntary municipal restructuring is examining the implications of alternative arrangements. Forecasting the administrative, financial and other effects of various scenarios may help municipalities decide which form of restructuring, if any, would benefit them the most. Once an analysis has been completed, the councils should have a clear view of the desired form and predicted outcomes of restructuring.

Collecting Community Data

Accurate and comprehensive information on all aspects of the involved municipalities is central to evaluating potential restructuring scenarios. Collecting this data should be a cooperative process undertaken jointly by all parties.

A number of members of your and your partner's municipalities will be key sources of community data. The individuals and groups may include:

- council members;
- administrators, clerks and treasurers;
- residents, community groups and volunteer associations; and
- business leaders.

There are also a variety of locations where you can find community data. Some locations include:

- municipal offices;
- libraries within your community and in other centres;
- the Internet; and
- federal and provincial government agencies.

There are a variety of types of information that will be useful in evaluating restructuring scenarios. Financial information will be central to efforts to evaluate scenarios. It is also important to consider the current state of each municipality's non-financial factors when evaluating restructuring scenarios. These intangibles may be difficult to report under normal accounting practices, but are important items for consideration and discussion. Some examples of intangibles are:

- the state of existing infrastructure, such as road quality;
- opportunities for economic development, including natural resources and tourism;
- opportunities for residential development;
- recreation programs and facilities patronage; and
- traditional trading areas.

Analyzing Community Data

After community data has been collected, it is important to analyze the information in the context of the involved municipalities' goals. Like the collection process, data analysis should be a collaborative process undertaken jointly by all parties.

Analyzing financial information is vitally important to any exercise aimed at evaluating different restructuring scenarios. The councils and residents of the involved municipalities are often very interested in the fiscal advantages and/or disadvantages that may be experienced through restructuring. To assist with this analysis, municipalities may wish to complete the *Financial Comparison Worksheet* found in Appendix B at the end of the Guide. This worksheet is designed to compare the current financial situation of the partners to help to identify cost savings and other opportunities that may result from restructuring.

When analyzing financial implications, it is important to identify potential start-up and harmonization costs associated with the restructuring scenarios. Identifying potential costs will help ease the transition from individual municipalities to a new partnership. Examples of start-up costs include:

- harmonization of computer systems and software;
- office renovations and equipment;
- harmonization of service contracts; and
- relocation expenses.

It is also important to evaluate the implications of the intangibles that characterize each of the involved municipalities. Financial measures may be developed for some of the intangibles to predict the effects of restructuring. However, many intangibles cannot be measured financially. Councils will have to develop some system to weigh the pros and cons of these considerations.

Step 5: Developing a Restructuring Agreement

A restructuring agreement is an important document that outlines the terms and conditions under which municipalities enter into voluntary municipal restructuring. It is a vital part of any restructuring process because it addresses matters of the former municipalities and lays out the structure of the new municipality. It helps resolve issues related to the former municipalities so that the council of the new municipality/municipal district may focus on issues relevant to the community's present and future.

A restructuring agreement is only required by legislation when municipalities intend to form a new RM or municipal district that will be governed by *The Rural Municipality Act, 1989*. Restructuring agreements are not mandatory when parties intend to form a municipality governed under *The Urban Municipality Act, 1984*. However, Section 15.1 of *The Urban Municipality Act, 1984* permits urban municipalities to establish restructuring agreements with rural and urban municipalities. All municipalities pursuing voluntary municipal restructuring are encouraged to establish restructuring agreements.

Developing a Restructuring Agreement

There is no legislated process for developing a restructuring agreement. It is up to the interested municipal councils (or the restructuring committee appointed by the participating municipalities) to design a process to negotiate the terms of a restructuring agreement. It is recommended that the councils review the legislation and the results of the analysis from *Step 4: Collecting and Analyzing Community Data* prior to negotiating items for the restructuring agreement.

The councils/restructuring committee may find it useful to begin developing an agreement with a process similar to the one outlined in *Step 3: Starting the Process*. That is, the councils/committee may start by establishing goals, objectives, roles, responsibilities and timeframes. The councils/committee may also wish to reflect upon the guiding principles identified in *Step 3* to ensure that the agreement reflects the spirit for pursuing voluntary restructuring.

It is the role of the involved councils to determine the level of public participation in the development of the restructuring agreement. Councils may find it valuable to gather public feedback through public meetings, mail-outs or other tools outlined in *Appendix A: Considerations for Public Participation*. This appendix also outlines the legislated requirements of public notification.

Restructuring committees may consider hiring professional planners to help facilitate the development of a restructuring agreement. Consultants can help design processes to establish the terms and conditions of the agreement as well as strategies for public participation. They also have knowledge of negotiation and mediation techniques. Staff of the Community Planning Branch may be available to discuss options and to review a draft agreement prior to official submission.

Part 2: The Seven Steps

Required Topics in Restructuring Agreements

The Rural Municipality Act, 1989 and *The Urban Municipality Act, 1984* identify topics that must be addressed if municipalities decide to enter into a restructuring agreement. These topics are:

1. Structure of the New Municipality/Municipal District

The agreement must identify the parties to the agreement. It must also include a statement that indicates whether the municipalities involved intend to form:

- a new urban municipality;
- a new rural municipality; or
- a municipal district.

The new municipality will follow the municipal act that it was created under. *The Rural Municipality Act, 1989* allows municipal districts and restructured RMs to adopt, by bylaw, any provisions of *The Urban Municipality Act, 1984*. The involved municipalities may decide to adopt such provisions and include them as terms and conditions within the restructuring agreement.

2. Name of the New Municipality/Municipal District

The restructuring agreement must identify the name of the restructured municipality. The councils/committee may wish to establish a process to identify possible names for the new municipality/municipal district. Some suggestions are to:

- organize a contest whereby residents submit suggestions for the new name; or
- establish a committee made up of elected officials and residents to generate a list of potential names.

The councils/committee may also wish to establish a process to choose the preferred name. Some suggestions are to:

- hold a public referendum; or
- select the name based on the recommendation of an advisory committee.

It is recommended that the public be involved in any process established to select the name of the municipality/municipal district. Resident involvement is a key part of ensuring the community's acceptance of the new name.

As part of its review process, the Community Planning Branch will ensure that the new name is acceptable to the Geographic Names Board.

The councils/committee may also give consideration to the creation of a new municipal seal, letterhead, logo and other identifiers that will bear the new name. These do not need to be part of the formal restructuring agreement.

3. Electoral System of the New Municipality/Municipal District

The restructuring agreement will set out the structure of the council of the new municipality/municipal district. This involves identifying the number of council members and whether the head of council will be a reeve or mayor. For RMs and municipal districts, this section should also include a description of each council division (or identify that this information is available in an appendix).

The restructuring agreement may also outline proposed election details for the new municipality/municipal district. Possible terms and conditions include:

- the name of a returning officer;
- the locations of polling stations;
- the deadline for receiving nominations;
- the date of the first election; and
- the date of the first council meeting.

Urban municipalities may also identify whether they wish to adopt a *ward system* or an *at-large system* for electing representatives to council. Each electoral system has its strengths and weaknesses. Choosing between the two systems will depend on many factors, including the demographic and geographic characteristics of the new municipality.

4. Processes for Amending the Restructuring Agreement

Sometime after incorporation, the council of the new municipality/municipal district may wish to amend the restructuring agreement. Therefore, the restructuring agreement must address the terms and conditions under which the restructuring agreement may be amended by the council of the new municipality/municipal district. Provisions may restrict amendments to certain sections of the agreement. They may also set timeframes for making changes to the agreement. Another factor to consider is the percentage of council needed to be in favour of an amendment.

Optional Topics in a Restructuring Agreement

In addition to required elements, agreements may outline terms and conditions for other issues municipalities deem relevant to their restructuring initiative. The optional topics that municipalities choose to include will largely depend on the unique circumstances of their restructuring initiative. In addition, the detail of the terms and conditions that municipalities establish to govern certain issues will vary from case to case. Optional topics include, but are not limited to the following:

1. Assets and Liabilities

All the assets and liabilities of the former municipalities will be transferred to the new municipality/municipal district. However, municipalities may negotiate how the assets and liabilities of each municipality will be addressed in the new municipal structure. The outcome of these negotiations may then be included as terms and conditions in the restructuring agreement.

Surplus funds and reserves are one issue that municipalities may want to discuss in the process of developing an agreement. The councils may decide to distribute surplus and reserve funds across the whole of the new municipality, or they may decide to temporarily retain assets in certain areas of the new municipality/municipal district.

Grants are another issue that municipalities may want to discuss in the process of developing an agreement. There may be conditional and unconditional grants that are due to one or more of the involved municipalities. The restructuring agreement may set out terms and conditions for dealing with the allocation of these grants.

2. Tax Tools

Municipalities may wish to negotiate the selection and application of tax tools. They may also wish to set provisions for standardizing assessment and mill rates.

If there is a significant difference in the assets and liabilities of the involved municipalities, the councils may adopt special tax levies. Levies may be adopted to:

- equalize municipal mill rates among the parties;
- renew municipal infrastructure;
- remedy and reclaim contaminated sites; and/or
- settle any liabilities of any of the parties.

The restructuring agreement may detail the terms and conditions of the special levies negotiated by the involved municipalities.

3. Staffing Issues

Except in the case of village dissolution, legislation states that all employees of the former municipalities continue to be employed by the new municipality/municipal district with the same rights and duties. It will be up to the new council to adopt any terms and conditions associated with staffing. When a village dissolves, all employees of the former urban municipality cease to have any further authority. Before dissolution, the village and RM may wish to discuss ways that village staff can continue to serve the community.

4. Consolidating Physical Operations

Prior to restructuring, municipalities may wish to negotiate several topics related to municipal operations. The agreement may address a variety of topics including:

- locating and furnishing the municipal office;
- coordinating each municipality's public vehicles; and
- addressing excess facilities and equipment.

It is also important to note that the records of each municipality involved in the restructuring agreement must be retained by the new municipality. Additionally, the municipalities may want to discuss how they will integrate computer and record management systems.

5. Consolidating Financial Operations

Prior to restructuring, municipalities may wish to negotiate several topics related to financial management. The agreement may address a variety of topics including:

- integrating accounting systems;
- making banking arrangements; and
- integrating insurance policies.

6. Consolidating Municipal Services

Sharing infrastructure and services may be at the heart of a restructuring initiative. Municipalities may wish to negotiate issues related to municipal services. Some of the services that could be addressed within the restructuring agreement include:

- fire and police services;
- water and sewage systems;
- garbage collection;
- road construction and maintenance;
- recreation and cultural services, including parks and libraries; and
- strategies to blend the former bylaws of the parties together and/or revise municipal development plans.

Finalizing the Process

The restructuring agreement should be signed by representatives of each municipality that is party to the agreement and each municipal seal should be affixed. A restructuring agreement is a legally binding document. As such, before signing and submitting the agreement, each municipality may wish to have their solicitors review the agreement's terms and conditions.

Once the restructuring agreement has been drafted, it should be submitted to GRAA. The details of official submission are outlined in the next step.

Sample: Municipal Restructuring Agreement

1 This agreement has been entered into by The Municipality of _____ and The Municipality of _____ for the purpose of forming a new urban municipality OR rural municipality OR municipal district to be named The Municipality of _____ OR The Municipal District of _____.

2 A municipal council consisting of a Mayor OR Reeve and ____ Councillors will govern the new municipality OR municipal district.

2(a) For rural municipalities - the boundaries of each Council Division are shown on the attached diagram marked "Exhibit A"

3 This agreement may only be amended by the Council of the new municipality OR municipal district under the following conditions and for the following reasons:
(a)_____
(b)_____

4 Identify how the assets and liabilities of each party will be dealt with during the restructuring.

5 Identify if any special levies will be imposed to:
a) equalize mill rates
b) renew municipal infrastructure
c) remedy or reclaim contaminated sites
d) settle any liabilities of the parties

6 Identify if there will be any tax tools applied to the municipal tax levies.

7 Identify the allocation of any conditional or unconditional grants to the parties.

8 Identify the disbursement of any surplus funds and reserves of any party to the agreement.

9. Identify the location of the municipal office. The records of each party to this agreement will be retained by the new rural municipality OR municipal district.

10. The parties may negotiate any other matters that they consider necessary to facilitate restructuring.

11. Subject to approval by the Minister of Government Relations, this agreement will come into effect on January 1, 200__.

Signed this ____ day of _____, 200__.
*To be signed by the representatives each municipal council and their seals affixed.

Step 6: Making the Official Request to Government

To officially form a new municipality/municipal district, the councils need to apply in writing to GRAA. Municipal restructuring applications include the following items:

1. a declaration stating that you and your partners want to enter into a restructuring agreement;
2. a copy of the restructuring agreement;
3. a resolution of the involved municipal councils stating that they want to enter into a restructuring agreement;
4. a map of the areas involved in the restructuring agreement;
5. proposed election details for the new municipality/municipal district, including the name of a returning officer, the locations of polling stations, the deadline for receiving nominations and the date of the first election; and
6. an outline of the public consultation undertaken by the municipal councils during the process of developing a restructuring agreement.

The application may be sent to the attention of:

Municipal Boundary Officer
Community Planning Branch
Government Relations and Aboriginal Affairs
4th Floor, 1855 Victoria Avenue
Regina, SK S4P 3V7

Upon receipt of the application, a review of the restructuring agreement will be undertaken to make sure that it complies with applicable legislation. If any part of the restructuring agreement is unclear or contradicts legislation, staff of the Community Planning Branch will work with you to make changes to the agreement. The agreement may then be resubmitted.

Once terms and conditions of the restructuring agreement have been finalized, GRAA will issue a restructuring order that creates the new municipality/municipal district.

Step 7: Implementing the Agreement

Legislation directs that the clauses of a restructuring agreement are to be included in the Minister's Order that establishes the new municipality/municipal district. These clauses will form the basic structure of the municipality/municipal district. They will also address the dispersal of assets, liabilities and other financial and municipal matters that are to be followed when implementing the agreement.

Each newly restructured municipality or municipal district will follow the municipal act that it was created under. Additionally, where an RM or municipal district is restructured under *The Rural Municipality Act, 1989*, the new council may, by bylaw, adopt any provision of *The Urban Municipality Act, 1984*, to apply to any area within its jurisdiction.

Normally, the Minister's Order will become effective prior to the actual date that the municipalities join together. This is done to set out the election provisions that will form the first council of the new municipality or municipal district.

The restructured council will have to work to bring the former communities into one. There will be several administrative and logistical issues to manage, most likely with the municipal administrator's input. For example, the accounting systems and the assessment rolls of the former municipalities will have to be blended. The records and bylaws of the former municipalities will also have to be retained by the restructured municipality/municipal district.

It is also important to maintain a positive relationship with the community. Council may consider developing communications strategies to keep the public apprised of how the new municipality is functioning. For instance, the community may be interested in the issues being discussed by the new council.

A key part of any plan is to follow-up by monitoring the effects of restructuring. Monitoring will assist council with managing change. For the first number of years, council may wish to revisit the initial goals and objectives that the former municipal councils set out for the restructuring project. Keeping the ideas that brought about the restructuring fresh in mind may help council form its future direction.

Contacts

These materials are intended to be easy to read and follow. However, as you use them some questions may arise. The partners may provide assistance, but all decisions rest with municipal councils. You may contact the partners as follows:

SARM

2075 Hamilton Street
Regina, Saskatchewan S4P 2E1

Tel: 306.757.3577
Fax: 306.565.2141

Email: sarm@sarm.ca

Website: http://www.sarm.ca

SUMA

#200, 1819 Cornwall Street
Regina, Saskatchewan S4P 2K4

Tel: 306.525.3727
Fax: 306.525.4373

Email: suma@suma.org

Website: http://www.suma.org

RMAA

Box 146,
Harris, Saskatchewan S0L 1K0

Tel: 306 656-2072
Fax: 306 656-2151

Email: rmaa@sasktel.net

Website: http://www.rmaa.ca

UMAAS

Box 730
Hudson Bay, Saskatchewan S0E 0Y0

Tel: 306.865.2261
Fax: 306.865.2800

Email: umaas@sasktel.net

Website: http://www.umaas.ca

New North

Box 1018
207 La Ronge Avenue
La Ronge, Saskatchewan S0J 1L0

Tel: 306.425.5505
Fax: 306.425.5506

Toll Free: 1.866.776.5505

Email: ceo.new.north@sasktel.net

Website: http://www.newnorth.ca

GRAA

Municipal Boundary Officer
Community Planning Branch
4th Floor, 1855 Victoria Avenue
Regina, Saskatchewan S4P 3V7

Tel: 306.787.2725
Fax: 306.798.0194

Email: mfomuni@graa.gov.sk.ca

Websites: http://www.graa.gov.sk.ca
http://www.municipal.gov.sk.ca

Financial Assistance

SARM has a $50,000 fund to help RMs cover costs related to voluntary municipal restructuring. RMs may apply to SARM for a grant related to eligible costs.

Eligible Cost 1: Funding a Restructuring Study

Where an RM has restructured or has incurred costs in evaluating restructuring, council may apply to SARM for funding. The funding request must include:

1. a statement of costs actually incurred by the municipalities or restructured municipality in evaluating and/or implementing restructuring; and
2. a letter from the municipalities participating in the particular structural review requesting payment of the financial assistance.

Financial assistance will not exceed 50% of the eligible costs. The funding will also be limited to a total of $5,000.

Eligible Cost 2: Reversions

When an urban municipality reverts to become part of the surrounding RM, the RM into which it reverts may request funding. The request must include a statement of incurred costs. The funding will be limited to $ 2,000.

Eligible Cost 3: Municipal Office/Administrative Consolidation

Upon entering into agreement with another municipality to share office space and an administrator, an RM may request financial assistance from SARM to cover eligible costs related to the consolidation. The funding will be limited to $ 2,000. The request must include a statement of incurred costs. Payment will be made to the municipalities after consolidation has occurred.

Eligible Cost 4: Higher Funding Levels

The SARM Board of Directors may consider higher funding levels subject to the number of municipalities involved in a restructuring study and may consider advancing funding payments to assist with feasibility studies.

Help from GRAA

GRAA's Community Planning Branch supports and processes restructuring applications initiated by municipalities. The Municipal Boundary Officer will provide general guidance and clarification on legislated procedures and accept submissions for municipal boundary changes and restructuring proposals on behalf of the department. Municipal councils are advised to be in contact with the Municipal Boundary Officer throughout the process of voluntary restructuring.

Appendix A: Considerations for Public Participation

Why Should Council Involve the Public?

Quite simply, people want to know what is happening in their community and participate in its future.

Consulting with the public is about involving the community. When the public is involved in decision-making processes, people feel that they have contributed to the community. Restructuring will affect everyone in the municipality and public consultation will allow everyone that is interested to have a voice in the process.

Looking at municipalities that have undertaken restructuring in other provinces, there is a direct connection between resident satisfaction with the outcome of the restructuring and a high level of public consultation taken throughout the process. Clearly, if people are included, they are more likely to understand the process and benefits of restructuring and more likely to support council's initiatives.

Public involvement will also keep everyone informed of council's progress throughout the restructuring process. If the residents know what is happening, they will feel that the process is transparent and there are no hidden motives. Accordingly, council may gain support for its restructuring decisions and encourage the community to work towards a common future.

Finally, public consultation is a key strategy for council to communicate its ideas to residents. Once council has collected and analyzed data on the effects of restructuring, it can work on sharing its findings to overcome misconceptions and to promote support for the proposal.

Timing of Public Consultation

The timing of public consultation is important. Council must weigh the timing of collecting and analyzing data for the restructuring process against the need to share its intention with the public. If too little work has been done, council may not be able to fully understand and rationalize its choices or expectations. If council has progressed too far without public consultation, the public may view the restructuring negatively and oppose the process.

Legislation does not address when councils must undertake public consultation. It is left up to the municipal leaders who best know their community to determine the appropriate timing of public consultation.

It is recommended that council go to the public early and be cautious about commitments or expectations of how restructuring will affect the community, other than there may be changes. By not making claims that restructuring will reduce taxes or improve services, council is not binding itself to potentially unrealistic goals. By going to the public early, council may be able

to solicit assistance from the community and form committees to take on specific tasks. Additionally, early consultation will endorse the idea that council is working in the best interests of the community. This may help promote community support for the proposal.

Council must be prepared prior to taking its proposal to the public. Prior to undertaking public consultation, council should have an opportunity to complete preliminary work to take stock of the community and brainstorm ideas of how to improve various aspects of the municipality. This may be accomplished by working through *Step 1: Understanding your Community Today* and *Step 2: Identifying Partners* in the Guide.

The public will question council on many aspects of its intention to restructure the municipality. As such, it is also recommended that council take time to carefully prepare for public meetings. Council should re-examine its goals and intentions. It should also review any data analysis it has undertaken. The public can be a strong critic of council and may make council work for its support.

How to Involve the Public

Municipal councils are encouraged to undertake more in-depth consultation with their residents regarding their intention to restructure. However, while it is expected that residents will be interested in municipal matters and wish to take part in the process, council must remember that public participation is voluntary. People cannot be forced to show up and participate.

There are a number of ways for council to inform the public of its intention to restructure and its progress through the steps. Some of these methods are identified below. This list is not exhaustive and each council may take different strategies of public consultation.

Public Meetings: Public meetings are an effective way for council to inform a large number of people of its intentions. Public meetings also allow the attendees to ask questions. A public meeting does not have to be a formal event. For instance, council may introduce the subject of restructuring at an annual fall supper or other event that draws a large portion of the community.

Open Houses: Much like a public meeting, an open house is a way to present information. Councils undertaking a restructuring may wish to hold an open house for an evening and allow people to review displayed materials and discuss ideas. Councils may also call an open house late in the restructuring process to present aspects of a restructuring agreement such as potential council division boundaries and charts of anticipated service costs for the community.

Advertisements: A method of informing the public of a meeting or open house is through advertisements in a locally circulated newspaper. This may notify people of the time and place of a public meeting and the topics to be discussed. Advertisements may also be used to display important information or to present major announcements to the public of the accomplishment of certain objectives or steps. A sample of a public notice is provided at the end of this appendix.

Mail-Outs: A mail-out may be used to share detailed information with the community. Mail-outs are effective in presenting data and detailed information. For example, council could share its findings after it has collected and analyzed data on taxation and the expected costs of service provision. Another idea is to use mail-outs to collect comments and questions from the public. For instance, council may wish to distribute mail-outs with a detachable portion that has a place for people to add their questions or comments and which could be mailed to the municipal office. Mail-outs could also serve as an alternative method to advertise for a public meeting.

Committees with Public: Restructuring entails much consideration and work. One way to both involve the public and divide some of the workload is to establish committees. Each committee could have a specific task, like the collection and analysis of data on an aspect of the municipality or to look at service provision models. Each committee could be made up of a council member and a small number of residents. The council members of each sub-committee could report to a restructuring committee or also be a member of the core restructuring committee. Council determines the number of committees, their size and authority.

Public Notification

While legislation does not specifically outline a process for councils to undertake public consultation, restructuring agreements entered into under *The Urban Municipality Act, 1984*, must undertake a process of public notification. The process is outlined below.

Restructuring agreements entered into under *The Rural Municipality Act, 1989*, are not required to follow the same public notification process set out in *The Urban Municipality Act, 1984*. However, the affected municipalities are encouraged to follow a similar process and undertake public consultation to ensure that their residents are involved in the decision to restructure.

The Process under *The Urban Municipality Act, 1984*

The councils will have to prepare and publish a notice of intention in a newspaper circulating within the area of the affected municipalities.

The notice of intention must contain:

a) a map and brief written description of the proposed restructuring;
b) a brief explanation of the reasons for the restructuring; and
c) an opportunity to file objections to the restructuring within four weeks from the date of the last publication of the notice of intention. Objections are to be received by one of the municipal councils.

The notice of intention must be published in a local newspaper, once each week for two consecutive weeks, and personally delivered or mailed to:

a) each person assessed with land or improvements in the subject area;
b) the councils of all municipalities affected by the proposed change; and
c) the boards of all schools divisions affected by the proposed restructuring.

If an objection is filed, the municipal councils must call a public meeting by publishing another notice that advertises the public meeting and contains:

a) a map and written description of the proposed restructuring;
b) a brief explanation of the reasons for the restructuring; and
c) the date, time and place of the public meeting to be held at least one week after the second publication.

This notice of a public meeting must be published in a local newspaper, once each week for two consecutive weeks, and personally delivered or mailed to:

a) the person assessed with land or improvements in the subject area;
b) the councils of all municipalities affected by the proposed change; and
c) the boards of all schools divisions affected by the proposed restructuring.

Council is to conduct the public meeting and hear all persons who wish to speak regarding the proposed municipal restructuring. All councils that are involved with the restructuring are to be present at the meeting.

Examples of the *Notice of Intention to Restructure* and *Notice of Public Meeting* are provided at the end of this appendix.

Holding a Public Meeting

If council decides to hold a public meeting, or is required to as a result of public objections, it is important to find a time that council thinks the most people could be able to attend. This is most likely in the early evening, but council will know the community best.

The meeting should be held in a location that is accessible and central and that may accommodate many people. A community hall or rink may be appropriate.

The meeting should start on time and be run in a professional manner. Planning to have the doors open and seating arranged prior to the start time will allow people to arrive, get comfortable and focus on the topics of the meeting before the meeting begins.

Council should have an agenda for the meeting. An agenda will provide structure to the meeting and help keep everyone on topic. Council could ask a respected and objective member of the community to act as chairperson. The role of the chairperson will depend on the type of meeting

being held. If council is presenting the restructuring project to its residents, the chairperson will ensure timeframes are followed and disruptions are kept to a minimum. If the purpose of the meeting is to debate an issue, the chairperson will have to be an impartial individual who will keep order and who is versed in rules of conduct.

Rules of conduct should be established early and clearly communicated to those in attendance. Normally the chairperson will outline these rules once the meeting has been called to order. Common considerations for rules of conduct are:

- People wishing to speak should first identify themselves.
- Questions may be directed to the panel as a whole or to specific individuals.
- Once the question is asked, the chairperson may restate the question and call for a response.
- There may be an opportunity for rebuttal if the question is not fully answered.
- Comments and questions should be restricted to the subject of the meeting.
- Personal attacks and obscenities will not be tolerated and may result in the offender being asked to be leave the meeting.
- Interruptions will not be tolerated.
- Questions and answers may be limited to a set time (for example, three minutes).

Other Considerations

Council should remain confident throughout the restructuring process. This will assist with promoting public enthusiasm and support.

Additionally, council should be honest with the public. The future is always uncertain. Be clear that there will be unexpected hurdles. Change may not come about smoothly and easily, but a strong, united community will be able to persevere and remain cohesive.

When you go to the public, take time to be prepared. Review the goals and objectives of the proposal. Ensure that the data and findings are clearly presented. Anticipate questions and prepare responses. Present your ideas clearly and use presentation aids, such as charts and maps, to illustrate your points.

At times, the public may wish to collectively take its opinion to council in the form of a petition. Legislation pertaining to municipal restructuring does not address how council is to deal with a public petition. Should a petition be received by GRAA, the sender will be advised that municipal restructuring is a local matter and their issues should be referred to their municipal council. It is up to the involved municipal councils to decide if they wish to restructure and to negotiate a restructuring agreement.

Appendix A: Considerations for Public Participation

Sample: Notice of Intention to Restructure

NOTICE OF INTENTION TO RESTRUCTURE

THE MUNICIPALITY OF _____ AND
THE MUNICIPALITY OF _____
TO FORM THE MUNICIPALITY OF _____

Pursuant to *The Urban Municipality Act, 1984*, public notice is hereby given that the Councils of the _____ of _____ and the _____ of _____ intend restructure by dissolving both municipalities and incorporating a new municipality called the _____ of _____. The primary reasons for the restructuring are:

-
-
-
-
-

The new _____ of _____ is proposed to have the following boundary:

ADD BRIEF DESCRIPTION OF THE BOUNARY AND A MAP

Any person may file a written objection to the proposed alteration to be received in the Municipal Office on or before _____ 20___ (4 weeks after the final publication of this notice)

Objections may be mailed to the _____ of _____, Box ____ Someplace, Saskatchewan, S__ __. If any objection is received, Council will hold a public meeting to hear all persons who wish to make representations relevant to the proposed alteration.

Dated at the _____ of _____, Saskatchewan, this ____ day of _____, 20___.

_____
Clerk/Administrator

Appendix A: Considerations for Public Participation

Sample: Notice of a Public Meeting

NOTICE OF PUBLIC MEETING

THE MUNICIPALITY OF _____ AND
THE MUNICIPALITY OF _____
TO FORM THE MUNICIPALITY OF _____

Pursuant to *The Urban Municipality Act, 1984*, public the Councils of the _____ of _____ and the _____ of _____ intend restructure by dissolving both municipalities and incorporating a new municipality called the _____ of _____. The primary reasons for the restructuring are:

-
-
-
-
-

The new _____ of _____ is proposed to have the following boundary:

ADD BRIEF DESCRIPTION OF THE BOUNDARY AND A MAP

As a result of objections being received to the restructuring, public notice is hereby given that the Councils of the _____ of _____ and the _____ of _____ will hold a public meeting to hear all persons who wish to make representations relevant to the proposed restructuring. The public meeting will be held on _____ 20__ at ____ a.m./p.m. at the _____ (give street address).

Dated at the _____ of _____, Saskatchewan, this ____ day of _____ 20__.

_____
Clerk/Administrator

Appendix B: Financial Comparison Worksheet

Municipalities may find the *Financial Comparison Worksheet* useful when evaluating the potential financial implications of voluntary restructuring. The worksheet is a modified version of the financial reporting and budgeting statements used by the Government of Saskatchewan. Municipal records are a good source of the information needed to complete the worksheet.

Instructions for Using the Financial Comparison Worksheet:

This worksheet is set up for two municipalities – Municipality A and Municipality B. However, additional columns may be added for additional partners.

To begin, each municipality provides the requested information under its designated heading of *Municipality A, Municipality B,* etc. For each item, the numbers placed in these columns are then added and the sum is written in the *Combined* column. Once the *Combined* column is complete, the partners may explore financial considerations for the newly restructured municipality. It is recommended that the partners develop a proposed budget for each of the items listed in the worksheet and write these numbers in the *Projection for New Municipality* column. The next step is to fill in the *Difference* column. For each item, the *Difference* is the *Combined* figure minus the *Projection for New Municipality* figure. The *Difference* may show a potential saving to the partners that could be realized through restructuring.

GENERAL INFORMATION

	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Population					
Taxable Assessment					
Reserve Account					
Miles of Road					
Other (specify)					

Appendix B: Financial Comparison Worksheet

REVENUES

TAXES	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
General Municipal Tax Levy					
Discount on Current Year Taxes					
Net Levy for Municipal Purposes					
Potash Tax Share					
Trailer License Fees					
Penalty on Tax Arrears					
Special Municipal Tax Levy					
Other (specify)					
Total Taxes					

Notes:

Appendix B: Financial Comparison Worksheet

FEES & CHARGES	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Custom Work					
Sales of:					
Gravel					
Supplies					
Rentals					
Policing and Fire Fees					
Recreation Fees:					
Recreation Centre Fees:					
Rink					
Swimming Pool					
Golf Fees					
Baseball Diamonds					
Sports Fields					
Recreation Program Fees:					
Skating					
Swimming					
Golf					
Baseball/Football					
Library/Museum					
Community Halls Fees					
Performing Arts Theatres					
Cemetery Fees					
Licenses and Permits					
Tax Certificate					
General Office Services					
Scavenging Fees					
Fines					
Pound Fees					
Other (specify)					
Total Fees and Charges					

Appendix B: Financial Comparison Worksheet

MAINTENANCE & DEVELOPMENT	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Road Maintenance and Restoration Agreements					
Development Charges					
Total Maintenance and Development Charges					

UTILITY REVENUE	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Water					
Sewer					
Other Utilities (specify)					
Total Utility Revenue					

GRANTS FROM OTHER GOVERNMENTS	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Unconditional					
Conditional					
Federal					
Provincial					
Local					
Total Conditional and Unconditional Grants					

GRANTS-IN-LIEU OF TAXES	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Federal					
Provincial					
Local					
Other (specify)					
Total Grants-in-Lieu of Taxes					

Appendix B: Financial Comparison Worksheet

INVESTMENT INCOME & COMMISSIONS	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Interest					
Commissions					
Dividends					
Total Investment Income and Commissions					

OTHER REVENUES	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Sask Lotteries					
TIP Grants					
Donations					
Housing Authority Surplus					
Capital Asset Proceeds					
Land Sales – Gain					
Other (specify)					
Total Other Revenues					

TOTAL REVENUES	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference

Notes:

Appendix B: Financial Comparison Worksheet

EXPENDITURES: GENERAL GOVERNMENT

	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Wages and Benefits					
Council and Committee Meetings					
Administrator					
Assistant Administrator					
Other (specify)					
Professional/Contract Services					
Legal Fees					
Audit					
Assessment – SAMA					
Advertising					
Printing					
Council Travel					
Travel, Meals and Subsistence					
Office Maintenance (Contract)					
Insurance (General and Bond)					
Memberships/Subscriptions					
Conference Fees					
Communications					
Express and Cartage					
Contracted Tax Enforcement/Collection					
Contracted Maintenance					
Contracted Repairs					
Contract for Postage Meters/Other Equipment					
Bank Charges					
Utilities					
Heat					
Power					
Water					
Telephone					

Appendix B: Financial Comparison Worksheet

Maintenance, Materials and Supplies					
Stationary and Postage					
Office Supplies					
Janitorial Supplies					
Uniforms					
Data Processing Supplies					
Election Supplies					
Census Supplies					
Pharmaceutical and First Aid Supplies					
Office Repair/Maintenance					
Grants and Contributions					
Capital Expenditures					
Allowance for Uncollectible					
Interest					
Other (specify)					

TOTAL EXPENDITURES: GENERAL GOVERNMENT	**Municipality A**	**Municipality B**	**Combined**	**Projection for New Municipality**	**Difference**

Notes:

Appendix B: Financial Comparison Worksheet

EXPENDITURES: PROTECTIVE SERVICES

POLICE PROTECTION	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Wages and Benefits:					
Municipal Force Wages					
Municipal Force Benefits					
Professional/Contract Services:					
Justice Requisition					
Travel, Meals and Subsistence					
Insurance					
Memberships/Subscriptions					
Contracted Repairs					
Utilities:					
Heat					
Power					
Water					
Telephone					
Policing Maintenance, Materials and Supplies:					
Stationary and Postage					
Office Supplies					
Vehicle/Equipment Repair – parts, oil gas, tools					
Small Tools and Equipment					
Grants and Contributions					
Capital Expenditures					
Interest					
Other (specify)					
Total Policing Protection					

Notes:

Appendix B: Financial Comparison Worksheet

FIRE PROTECTION	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Wages and Benefits:					
Municipal Force Wages					
Municipal Force Benefits					
Professional/Contract Services:					
EM[illegible]ontract (911)					
Travel, Meals and Subsistence					
Insurance					
Memberships/Subscriptions					
Contracted Repairs					
Utilities:					
Heat					
Power					
Water					
Telephone					
Maintenance, Materials and Supplies:					
Stationary and Postage					
Office Supplies					
Vehicle/Equipment Repair – parts, oil, gas, tools,					
Small Tools and Equipment					
Grants and Contributions					
Capital Expenditures					
Interest					
Allowance for Uncollectible					
Other (specify)					
Total Fire Protection					

TOTAL EXPENDITURES: PROTECTIVE SERVICES	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference

Appendix B: Financial Comparison Worksheet

EXPENDITURES: TRANSPORTATION SERVICES

MAINTENANCE	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Wages and Benefits:					
Municipal Force Wages					
Municipal Force Benefits					
Professional Contract Services:					
Engineering					
Contracted Maintenance/Repairs					
Advertising					
Travel, Meals and Subsistence					
Insurance/Vehicle Registration					
Memberships/Subscriptions					
Utilities:					
Heat					
Power					
Street Lights (including decorative lighting)					
Water					
Telephone					
Maintenance, Materials and Supplies:					
Building Maintenance Materials and Supplies					
Shop Supplies and Small Tools					
Vehicle/Equipment Repair – parts, oil, gas, tools					
Gravel/Sand					
Culverts/Drainage					
Asphalt/Surfacing Material					
Road/Street Signs					
Traffic Signs/Signals/Markings					
Other (specify)					
Grants and Contributions					
Capital Expenditures					
Interest					
Allowance for Uncollectible					
Other (specify)					
Total Maintenance					

Appendix B: Financial Comparison Worksheet

CONSTRUCTION	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Wages and Benefits:					
Municipal Force Wages					
Municipal Force Benefits					
Professional Contract Services:					
Engineering					
Contracted Construction					
Advertising					
Travel, Meals and Subsistence					
Insurance/Vehicle Registration					
Memberships/Subscriptions					
Contracted Repairs					
Utilities:					
Heat					
Power					
Water					
Telephone					
Maintenance, Materials and Supplies:					
Building Maintenance Materials and Supplies					
Shop Supplies and Small Tools					
Vehicle/Equipment Repair – parts, oil, gas, tools					
Gravel/Sand					
Culverts/Drainage					
Asphalt/Surfacing Material					
Road/Street Signs					
Traffic Signs/Signals/Markings					
Grants and Contributions					
Capital Expenditures					
Interest					
Allowance for Uncollectible					
Other (specify)					
Total Construction					

Appendix B: Financial Comparison Worksheet

SNOW REMOVAL	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Wages and Benefits:					
Municipal Force Wages					
Municipal Force Benefits					
Professional Contract Services:					
Engineering					
Contracted Snow Removal					
Advertising					
Travel, Meals and Subsistence					
Insurance/Vehicle Registration					
Memberships/Subscriptions					
Contracted Repairs					
Utilities:					
Heat					
Power					
Water					
Telephone					
Maintenance, Materials and Supplies:					
Building Maintenance Materials and Supplies					
Shop Supplies and Small Tools					
Vehicle/Equipment Repair – parts, oil, gas, tools					
Gravel/Sand					
Culverts/Drainage					
Asphalt/Surfacing Material					
Street Signs/Traffic Signs/Signals/Markings					
Grants and Contributions					
Capital Expenditures					
Interest					
Allowance for Uncollectible					
Other (specify)					
Total Snow Removal					

TOTAL EXPENDITURES: TRANSPORTATION SERVICES	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference

Appendix B: Financial Comparison Worksheet

EXPENDITURES: ENVIRONMENTAL HEALTH SERVICES

	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Wages and Benefits:					
Municipal Force Wages					
Municipal Force Benefits					
Professional Contract Services:					
Waste Collection/Disposal					
Contracted Pest and Weed Control					
Contracted Repairs					
Insurance					
Utilities:					
Heat					
Power					
Water					
Telephone					
Maintenance, Materials and Supplies:					
Vehicle/Equipment Repair – parts, oil, gas, tools					
Small Tools and Equipment					
Grants and Contributions					
Capital Expenditures					
Interest					
Other (specify)					
Total Environmental Health Services					

Notes:

Appendix B: Financial Comparison Worksheet

EXPENDITURES: PUBLIC HEALTH & WELFARE SERVICES

	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Wages and Benefits:					
Municipal Force Wages					
Municipal Force Benefits					
Professional Contract Services:					
Contracted Cemetery Maintenance					
Insurance					
Housing Authority/Nursing Home Deficit					
Utilities:					
Heat					
Power					
Water					
Telephone					
Maintenance, Materials and Supplies:					
Equipment Repairs and Supplies					
Fuel/Oil					
Shop Supplies and Small Tools					
Grants and Contributions					
Capital Expenditures					
Interest					
Other (specify)					
Total Public Health and Welfare Services					

Notes:

Appendix B: Financial Comparison Worksheet

EXPENDITURES: PLANNING & DEVELOPMENT SERVICES

	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Wages and Benefits:					
Municipal Force Wages					
Municipal Force Benefits					
Professional/Contract Services:					
Contracted Weed Control					
Advertising					
Contracted Building Repair					
Insurance					
Memberships/Subscriptions					
Contracted Equipment Repairs					
Utilities:					
Heat					
Power					
Water					
Telephone					
Maintenance, Materials and Supplies:					
Building Maintenance Materials and Supplies					
Vehicle/Equipment Repair – parts, oil, gas, tools					
Weed Control Materials					
Shop Supplies and Small Tools					
Grants and Donations					
Capital Expenditures					
Interest					
Other (specify)					
Total Planning and Development Services					

Appendix B: Financial Comparison Worksheet

EXPENDITURES: RECREATION & CULTURAL SERVICES

	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Wages and Benefits:					
Municipal Force Wages					
Municipal Force Benefits					
Professional/Contract Services:					
Advertising					
Printing					
Travel, Meals and Subsistence					
Insurance					
Memberships/Subscriptions					
Conference Fees					
Communications					
Contracted Maintenance					
Contracted Repairs					
Library Requisition					
Utilities:					
Heat					
Power					
Water					
Telephone					
Maintenance, Materials and Supplies:					
Stationary and Postage					
Office Supplies					
Janitorial Supplies					
Building Maintenance Materials and Supplies					
Grants and Contributions					
Capital Expenditures					
Interest					
Allowance for Uncollectible					
Other (specify)					
Total Recreation and Cultural Services					

Appendix B: Financial Comparison Worksheet

EXPENDITURES: UTILITIES

	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Wages and Benefits					
Municipal Force Wages					
Municipal Force Benefits					
Professional/Contract Services					
Legal Fees					
Advertising and Communications					
Printing					
Travel, Meals and Subsistence					
Insurance (General and Bond)					
Memberships/Subscriptions					
Conference Fees					
Contracted Building Maintenance					
Contracted Repairs (Building/Equipment)					
Laboratory Testing					
Utilities					
Heat					
Power					
Water					
Telephone					
Maintenance, Materials and Supplies					
Stationary and Postage					
Office Supplies					
Building Maintenance Materials and Supplies					
Shop Supplies and Small Tools					
Chemicals					
Gravel/Sand					
Grants and Contributions					
Capital Expenditures					
Interest					
Allowance for Uncollectible					
Other (specify)					
Total Utilities Services					

Appendix B: Financial Comparison Worksheet

CHANGES IN NET FINANCIAL ASSETS

	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Total Operating Expenditures					
Total Revenues					
Change in Net-Financial Assets					

CURRENT PORTION OF LONG-TERM DEBT REPAID	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
General Government					
Protective Services					
Transportation					
Environmental Health					
Public Health and Welfare					
Planning and Development					
Recreation and Culture					
Utilities					
Total Current Portion of Long-Term Debt Repaid					

LONG-TERM DEBT ISSUED	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
General Government					
Protective Services					
Transportation					
Environmental Health					
Public Health and Welfare					
Planning and Development					
Recreation and Culture					
Utilities					
Total Long-Term Debt Issued					

Appendix B: Financial Comparison Worksheet

CHANGE IN SURPLUS	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Change in Net Finance Assets Minus *Long-Term Debt Repaid* Plus *Long-Term Debt Issued*					

OPERATING SURPLUS/ APPROPRIATED FUND USAGE	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Operating Fund Usage					
Appropriated Fund Usage					
Total					

Notes:

Appendix B: Financial Comparison Worksheet

ASSETS AND LIABILITIES

FINANCIAL ASSETS	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Cash and Temporary Investments					
Taxes Receivable – Municipal					
Other Accounts Receivable					
Land for Resale					
Long-Term Investments					
Other (specify)					
Total Financial Assets					

LIABILITIES	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Bank Indebtedness					
Accounts Payable					
Accrued Liabilities Payable					
Utility Deposits					
Deferred Revenue					
Accrued Landfill Costs					
Other Liabilities					
Long-Term Debt					
Retirement Benefits					
Pension Liability					
Lease Obligations					
Total Liabilities					

NET FINANCIAL ASSETS	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference

Appendix B: Financial Comparison Worksheet

NON-FINANCIAL ASSETS	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Prepayments and Deferred Charges					
Stock and Supplies					
Other (specify)					
Total Non-Financial Assets					

NET ASSETS	Municipality A	Municipality A	Combined	Projection for New Municipality	Difference

MUNICIPAL POSITION

	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Unappropriated Net Assets					
Appropriated Net Assets					
Total Unappropriated and Appropriated Net Assets					
Amounts to be Recovered from Future Revenues					

Notes:

Appendix B: Financial Comparison Worksheet

SPECIFIC RESERVES

MUNICIPAL RESERVES	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Machinery and Equipment					
Public Reserve					
Capital Trust					
Utility					
Other (specify)					
Total Municipal Reserves					

ORGANIZED HAMLET RESERVES	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference
Hamlet of (Name)					
Hamlet of (Name)					
Hamlet of (Name)					
Hamlet of (Name)					
Total Hamlet Reserves					

Total Reserves	Municipality A	Municipality B	Combined	Projection for New Municipality	Difference

Notes:

Appendix C: The Process of Village Dissolution

Section 12 of *The Urban Municipality Act, 1984*, sets out the legislative authority for dissolving a village. Specifically, the legislation allows for the dissolution of a village where:

a) the council requests, by resolution, that the municipality be dissolved;
b) there is a failure to elect a council;
c) in the case of a village, the population is less than 100; or
d) in the case of a resort village, the community has less than 100 electors and dependent children of electors.

The seven steps found within the Guide may be applied to village dissolution, although there are some differences between the process of village dissolution and other forms of voluntary municipal restructuring. Most notably, unlike other forms, the dissolution of a village into a rural municipality (RM) does not require the negotiation of a restructuring agreement or the incorporation of a new municipality/municipal district. Other considerations are outlined below.

Step 1: Understanding Your Community

This step may be completed as outlined within the Guide. However, in addition to the indicators provided in Step 1, the village council may want to explore additional questions when considering dissolution as an option for meeting the needs of the community. Other questions that a village council may find useful to initiate discussions include:

- Does the village meet legislative criteria under *The Urban Municipality Act, 1984*? Specifically, does it meet the population criteria?
- Is the village able to maintain infrastructure and provide basic services to the residents?

Step 2: Identifying Partners

This step may be completed as outlined within the Guide. If the village decides to pursue dissolution, the surrounding RM would be identified as their potential partner for voluntary municipal restructuring. It is recommended that the involved municipal councils meet to discuss the issues surrounding dissolution.

Step 3: Starting the Process

This step may be completed as outlined within the Guide. When considering stakeholder involvement in village dissolution, it is important to note that Section 12 of *The Urban Municipality Act, 1984*, sets out specific requirements of public notification during the dissolution process. These requirements should be regarded as the minimum level of notification required during the process. It is recommended that the councils of the village and RM undertake more public consultation to discuss options and opportunities with residents of both the village and RM.

Appendix C: The Process of Village Dissolution

Appendix A: Consideration for Public Participation may help councils to present options to the community. At the municipality's request, the Municipal Boundary Officer or other GRAA staff may be able to attend the meeting as an information resource.

Step 4: Collecting and Analyzing Community Data

This step may be completed as outlined within the Guide. In addition to the provided information, a village might wish to undertake analysis to decide if it wants to revert to a hamlet or an organized hamlet. Considerations include:

- an organized hamlet receives the Organized Hamlet grant (the same formula as the Urban Revenue Sharing grant) while land within a hamlet is eligible to receive a tax exemption under Section 331(1)(q) of *The Rural Municipality Act, 1989* (this will exempt the assessment of a dwelling up to the assessment of other land in an RM); and
- an organized hamlet with a population over 100 may apply to become a separate division of council to ensure a direct voice in the municipal decision making process.

Step 5: Developing a Restructuring Agreement

Restructuring agreements are not part of village dissolution. However, it is recommended that the councils of the village and RM discuss the terms and conditions of a variety of issues before a decision is made to dissolve the village. Issues may include:

- Will any employees of the village continue to serve the RM?
- Will any of the village's assets (such as a snow plow) remain in the area of the former village or be turned over to the RM?
- What services/level of services is the RM prepared to provide to the residents of the former village?

To proceed with voluntary dissolution, the village council must pass a resolution to dissolve. Once council has passed a resolution to dissolve, council must:

a) prepare and publish a Notice of Intention in a newspaper having circulation in the municipality; and
b) personally deliver or send by ordinary mail a copy of the notice to:
    i) each person assessed with respect to land, improvements or business located in the municipality; and
    ii) the council of the RM in which the municipality is located.

The public notice must contain the following information:

a) a brief explanation of the reasons for the dissolution; and
b) information that objections to the proposed dissolution are to be filed with the Municipal Boundary Officer, on behalf of the Minister, within four weeks of the date of the last publication in the newspaper. An objection to the dissolution of a village must clearly state the reasons for the objection.

If a valid objection is received, a vote of the village residents may be called on the question of dissolution. Accordingly, the village should be in contact with the Community Planning Branch throughout the dissolution process. If no objections are received, council may proceed to Step 6.

Step 6: Making an Official Request to Government

An application for urban municipal dissolution should be submitted to the Community Planning Branch. Applications include the following items.

1. a resolution of the village council requesting dissolution;
2. a resolution from the surrounding RM to accept the community upon dissolution;
3. a listing of the reasons council is considering dissolution;
4. an outline of the public consultation taken to discuss the proposal with the community;
5. a copy of the Notice of Intention of the dissolution as it ran in a locally circulated newspaper; and
6. a copy of any agreement between the municipalities relating to the retention or liquidation of the village's assets.

The Minister must issue a decision in the form of a Minister's Order. Normally municipal reversions are effective December 31 in the year that the request is made. As the municipal budget year coincides with the calendar year, December 31 is often selected to ease the transition of the budget information from the former village to the RM. However, dissolutions may occur at anytime throughout the year.

To avoid burdening the RM with the former village's liabilities, the Minister's Order may identify a person to settle the village's assets and liabilities. If the RM administrator has knowledge of the village's accounts, this person may be asked to perform the duty. The Community Planning Branch also has a list of people who are willing to act in this capacity.

The Order must provide for payment to the person appointed to settle the former village's financial matters. This remuneration will be drawn from the account of the dissolving village. However, if there are insufficient realizable assets to satisfy the village's liabilities and the remuneration, the person appointed may (subject to any directions that may be specified in the Order) assess, levy, collect and enforce payment of any amount that may be required:

a) to satisfy the liabilities of the urban municipality and all associated expenses, and
b) to pay the remuneration of the person appointed.

Step 7: Implementing the Agreement

Once a Minister's Order is issued to dissolve a village, the area of the urban municipality will be added to the jurisdiction of the RM. Much of the information outlined in Step 7 of the Guide can be applied to the period following village dissolution. It is also important to note that the following terms and conditions apply once an Order to dissolve an urban municipality is made:

a) the members of the council and all the employees of the former urban municipality cease to have any further authority;
b) all actions or proceedings by or against the former municipality may be commenced, continued, or maintained by or against the RM in which the former municipality is located;
a) all bylaws and resolutions that were in force in the former municipality continue in force in the area of the RM to the extent that those bylaws and resolutions are not inconsistent with *The Rural Municipality Act, 1989*, until they are repealed or other bylaws or resolutions are made in their place;
b) the RM will be responsible for preserving all village documents including the minutes, the bylaw register, tax and assessment rolls;
c) all taxes and revenues due to the former municipality are deemed to be taxes and revenues due to the RM; and
d) all assets, liabilities, rights, duties, functions and obligations of the former municipality are vested in the RM and may be dealt with by it in its own name.

If the dissolving village wished to become an Organized Hamlet, the Minister's Order will identify the boundary of the Organized Hamlet. It will then be necessary for the community to elect an Organized Hamlet Board.